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EXAMINER

UBER, NATHAN C

ART UNIT

PAPER NUMBER

3622

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

|                              |                                      |   |  |
|------------------------------|--------------------------------------|---|--|
| <b>Office Action Summary</b> | <b>Application No.</b><br>10/797,464 | <b>Applicant(s)</b><br>FOLTZ-SMITH ET AL. |  |
|                              | <b>Examiner</b><br>NATHAN C. UBER    | <b>Art Unit</b><br>3622                   |  |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 10 March 2004.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- 7) ☒ Claim(s) 10-12 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 10 March 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### Status of Claims

1. This action is in reply to the application filed on 10 March 2004.
2. Claims 1-21 are currently pending and have been examined.

### Claim Objections

3. Claims 10-12 are objected to because they depend from claim 9 which does not meet the statutory requirements of 35 U.S.C. 101.

### Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:  
  
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
5. Claim 9 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 9 is directed to a *computer-readable medium* which contains a *program comprising information used to generate a search...* The claim is indefinite because information cannot generate anything. Further, although the claim is directed to a computer readable medium, the preamble also recites a second and third computer-readable medium. Claim 9 therefore does not particularly point out and distinctly claim the computer-readable medium because one of ordinary skill in the art could not ascertain the metes and bounds of the invention.

### Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:  
  
Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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Claim 9 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 9 is directed to an abstract idea with no useful, concrete and tangible result. The *computer-readable medium included in a search engine server* is within a statutory class of invention, however the claim is not followed by any supporting structure. Rather, the *program comprising information used to generate a search provider's web page* is functional data and amounts to an abstract idea. An abstract idea is statutory under 35 U.S.C. 101 when there is a practical application of the judicial exception indicated by the claims such as a physical transformation or a useful, concrete and tangible result. Here the remaining limitations of the claim do not recite elements that would constitute a physical transformation or indicate a useful, concrete and tangible result. Rather the claims merely describe features of a website. Because there is no practical application of the judicial exception, the claim does not meet the statutory requirements of 35 U.S.C. 101.

#### Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

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9. Claims 1-12 are rejected under 35 U.S.C. 102(b) as being anticipated by Cheung et al. (U.S. 2003/0028529).

**Claim 1:**

Cheung, as shown, discloses the following limitations:

- *a search engine server having a first computer-readable medium containing information for a search provider's web page (see at least Figure 4),*
- *an advertiser server coupled to the search engine server and having a second computer-readable medium containing information for an advertiser's web page (see at least Figure 4),*
- *a user computer coupled to the search engine server and the advertiser's server, the user computer having a monitor that is configured to display web pages (see at least Figure 4),*
- *wherein the search provider's web page, when displayed on the monitor, includes ads with each ad including a link to an advertiser's web page (see at least ¶0014, advertisers pay for click through referrals generated from the search result list generated by the search engine),*
- *where an advertiser is an entity whose ad is displayed on the search provider's web page (see at least ¶0010, sites that provide search services offer advertisers significant exposure to internet audience),*
- *a position of each ad on the search provider's web page is dependent upon whether the search provider is due payment from the advertiser (see at least ¶0048, the bid amount for the ad dictates the ad placement in the search result list).*

**Claim 2:**

Cheung, as shown, discloses the following limitation:

- *the position of the ad on the search provider's web page is dependent upon whether a link included in an ad has received a predetermined number of*

*clicks within a predetermined period of time (see at least ¶0139, when the account is exhausted the ad is no longer positioned with the paid advertisements/displayed see also ¶0124).*

**Claim 3:**

Cheung, as shown, discloses the following limitations:

- *a sponsor is an advertiser that has a financial agreement with the search provider regarding the inclusion of the sponsor's ad on the search provider's web page (see at least ¶0047, advertiser opens an account),*
- *a non-sponsor is an advertiser whose ad is displayed on the search provider's web page free of charge; and (see at least ¶0048, non paid website descriptions/listings),*
- *non-sponsors' ads are displayed in a region of the search provider's web page below another region of the search provider's web page where sponsors' ads are displayed (see at least ¶0048, non paid listings appear separately or at the bottom of paid listings).*

**Claim 4:**

Cheung, as shown, discloses the following limitation:

- *the search provider is due a fee from a sponsor every time a user selects a link associated with the sponsor's ad displayed on the search provider's web page (see at least ¶0117, "a money amount that is deducted from the account of the advertiser for each time the advertiser's webs site is accessed via a hyperlink on the search result page").*

**Claim 5:**

Cheung, as shown, discloses the following limitation:

- *the sponsor's ad has associated with it a cap amount that is the maximum amount of money that a sponsor can be billed by the search provider for the*

*sponsor's ad within a billing cycle (see at least ¶0124, advertise may prepay for clicks).*

**Claim 6:**

Cheung, as shown, discloses the following limitation:

- *a location where the sponsor's ad is displayed on the search provider's web page is influenced by a difference between the cap amount and a total accrued debt owed by the sponsor to the search provider for the sponsor's ad (see at least ¶0124, if there are not enough funds, the advertisement will not appear in the search results).*

**Claim 7:**

Cheung, as shown, discloses the following limitation:

- *the sponsor's ad is located within the region of the search provider's web page with non-sponsors' ads when the total accrued debt owed by the sponsor to the search provider for the sponsor's ad equals the cap amount (see at least ¶0048, non-paid listings appear in a different section or below paid listings, and are retrieved based on relevance to the search).*

**Claim 8:**

Cheung, as shown, discloses the following limitation:

- *the sponsor can change the cap amount (see at least ¶0124, advertiser may add funds).*

**Examiner's Note:** Claim 9 is directed only to a computer-readable medium containing a program comprising information. The additional limitations of claim 9 and the following claims do not further limit the computer-readable medium, nor do they further limit the program or the information. For the purposes of this examination, Examiner gave these limitations patentable weight and identified prior art. However, if Applicant would like these limitations to receive patentable weight in the future, Examiner suggests properly limiting the computer-readable medium by describing its physical features or properly

“claiming a computer program product tangibly embodied on a computer-readable medium” and limiting the program product by describing the steps it performs.

**Claim 9:**

Cheung, as shown, discloses the following limitations:

- *the search provider's web page is displayed on the monitor and includes ads that are stored in the database, with each ad including a link to an advertiser's web page (see at least ¶0014, advertisers pay for click through referrals generated from the search result list generated by the search engine),*
- *where an advertiser is an entity whose ad is displayed on the search provider's web page (see at least ¶0010, sites that provide search services offer advertisers significant exposure to internet audience),*
- *a sponsor is an advertiser that has a financial agreement with the search provider regarding the inclusion of the sponsor's ad on the search provider's web page (see at least ¶0047, advertiser opens an account),*
- *the search provider is due a fee from the sponsor every time a user selects a link included in the sponsor's ad displayed on the search provider's web page (see at least ¶0117, “a money amount that is deducted from the account of the advertiser for each time the advertiser's webs site is accessed via a hyperlink on the search result page”),*
- *the sponsor's ad has associated with it a cap amount that is the maximum amount of money that a sponsor can be billed by the search provider for the sponsor's ad within a billing cycle (see at least ¶0124, advertise may prepay for clicks),*
- *a location where the sponsor's ad is displayed on the search provider's web page is influenced by a difference between the cap amount and a total accrued debt owed by the sponsor to the search provider for the sponsor's*



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*ad* (see at least ¶0124, if there are not enough funds, the advertisement will not appear in the search results).

**Claim 10:**

Cheung, as shown, discloses the following limitations:

- *a non-sponsor is an advertiser whose ad is displayed on the search provider's web page free of charge* (see at least ¶0048, non paid website descriptions/listings),
- *non-sponsors' ads are displayed in a region of the search provider's web page below another region of the search provider's web page where sponsors' ads are displayed* (see at least ¶0048, non paid listings appear separately or at the bottom of paid listings).

**Claim 11:**

Cheung, as shown, discloses the following limitation:

- *the sponsor's ad is located within a region of the search provider's web page with non-sponsors' ads when the total accrued debt owed by the sponsor to the search provider for the sponsor's ad equals the cap amount* (see at least ¶0048, non-paid listings appear in a different section or below paid listings, and are retrieved based on relevance to the search).

**Claim 12:**

Cheung, as shown, discloses the following limitation:

- *the sponsor can change the cap amount* (see at least ¶0124, advertiser may add funds).

**Claim Rejections - 35 USC § 103**

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

12. Claims 13-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Leishman et al. (U.S. 2004/0073538) in view of Cheung et al. (U.S. 2003/0028529).

**Claim 13:**

Leishman, as shown, discloses the following limitations:

- *performing a category search using the search engine server for ads included in the advertiser database* (see at least Figure 3, category search, see also ¶0045, advertising/marketing results in a search),
- *creating a list of sponsors' ads based on results of the category search* (see at least ¶0045, Florist A example),

Leishman does not disclose the following limitation, however, Cheung, as shown, does:

- *positioning the sponsors ads on the search provider's web page based on a difference between the cap amount and a total accrued debt owed by the sponsor to the search provider for the sponsor's ad* (see at least ¶0124, if there are not enough funds, the advertisement will not appear in the search results),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the

claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Claim 14:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Further, Leishman, as shown, discloses the following limitation:

- *calculating a geographic region of consideration (see at least ¶0030, defining a search area),*
- *removing all sponsor ads from the list of sponsors' ads when the respective sponsor's business location is outside of the geographic region of consideration (see at least ¶0031, clipping results with locations not within the geographic range).*

**Claim 15:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Further, Leishman, as shown, discloses the following limitation:

- *the geographic region of consideration is a circle having a center point and a radius (see at least ¶0030, a polygon with unlimited number of sides is a circle),*
- *the radius is multiplied by a market multiplier factor that varies as a function of a location of the center point (see at least ¶0034, determines the appropriate default search range to provide search results for a location and range in the appropriate categories).*

**Claim 16:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Cheung does not explicitly disclose the following limitations:

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- *calculating a pacing factor (see at least ¶0090, capping accounts by time period),*
- *comparing a random number, having a value between zero and one, to the pacing factor for each sponsor's ad and (see at least ¶0099),*
- *displaying the sponsor's ad on the search provider's web page only if the pacing factor is greater than the random number (see at least ¶0106, changing account status may result in removal of an ad from search results),*

However Cheung discloses projecting expenses predicting the projected number of days until the exhaustion of account funds (see at least ¶139) and creating invoice caps for specific time periods (see at least ¶0090). Further Cheung discloses an account monitoring method capable of removing ads from results tables when thresholds are exceeded (see at least ¶0099). Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention to implement a pacing factor because Cheung discloses a comparable method. Further it would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Claim 17:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Cheung, as shown, discloses the following limitation:

- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the cost-per-click multiplied by the click-through rate associated with each sponsor's ad (see at least ¶0048, the bid amount for the ad dictates the ad placement in the search result list).*

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It would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Claim 18:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Further Leishman, as shown, discloses the following limitations:

- *calculating a sorting factor* (see at least ¶0066, sort the result list),
- *sorting the sponsors' ads and displaying the sponsors' ads on the search provider's web page according to the sorting factor* (see at least ¶0066, sort the search result list).

**Claim 19:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Cheung, as shown, discloses the following limitation:

- *a non-sponsor is an advertiser whose ad is displayed on the search provider's web page free of charge* (see at least ¶0048, non paid website descriptions/listings),

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Claim 20:**

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The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Cheung, as shown, discloses the following limitation:

- *displaying non-sponsors' ads in a region of the search provider's web page below another region of the search provider's web page where sponsors' ads are displayed (see at least ¶0048, non paid listings appear separately or at the bottom of paid listings),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Claim 21:**

The combination Leishman/Cheung discloses the limitations as shown in the rejection above. Cheung, as shown, discloses the following limitation:

- *positioning the sponsor's ad within a region of the search provider's web page with non-sponsors' ads when the total accrued debt owed by the sponsor to the search provider for the sponsor's ad equals the cap amount (see at least ¶0048, non-paid listings appear in a different section or below paid listings, and are retrieved based on relevance to the search),*

It would have been obvious to one having ordinary skill in the art at the time of the invention to combine various features of the Leishman and Cheung inventions since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

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### **Conclusion**

13. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to **Nathan C Uber** whose telephone number is **571.270.3923**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **Eric Stamber** can be reached at **571.272.6724**.
14. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at **866.217.9197** (toll-free).
15. Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks**

**Washington, D.C. 20231**

or faxed to **571-273-8300**.

16. Hand delivered responses should be brought to the **United States Patent and Trademark Office Customer Service Window**:

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/Nathan C Uber/ Examiner, Art Unit 3622  
16 May 2008

/Arthur Duran/  
Primary Examiner, Art Unit 3622  
5/20/2008